

**SUPPLEMENTAL SURREBUTTAL TESTIMONY OF**  
**J. THOMAS O'BRIEN**  
**ON BEHALF OF AMERITECH ILLINOIS**  
**(SERVICE QUALITY)**

**I. Introduction**

**Q. Please state your name, title, and business address.**

A. J. Thomas O'Brien, Executive Director-Regulatory Affairs, Ameritech Illinois,  
225 W. Randolph Street, Chicago, Illinois 60606.

**Q. Are you the same J. Thomas O'Brien who has submitted testimony previously in this proceeding?**

A. Yes, I am.

**Q. What is the purpose of your supplemental surrebuttal testimony?**

A. The purpose of this surrebuttal testimony is to address service quality issues that were raised in the rebuttal testimony of Jeffrey Hoagg, Cindy Jackson and Samuel McClerren on behalf of Staff; Charlotte TerKeurst on behalf of GCI; and Rod Cox on behalf of McLeodUSA. I have also filed a separate piece of surrebuttal testimony that addresses issues relating to the design of the Alternative Regulation Plan and related issues.

**Q. Mr. Hoagg and Ms. TerKeurst (p. 22) suggest that the requirement to maintain service quality should be viewed under Section 13-506.1(b) as a minimum standard and that the Commission has the authority to increase the standards as part of Alternative Regulation. Do you agree?**

A. No, I do not. First, as Mr. Gebhardt discusses in his surrebuttal testimony, their reading of the statute is inconsistent with the language and structure of Section 13-506.1. The Commission rejected their reading of the Act in its original Alternative Regulation Order. In fact, the Commission did so at the urging of the same Staff and intervenors that are now taking the opposite position.

Second, Mr. Hoagg states that the Commission did not seek improved service quality measures when the Alternative Regulation plan was originally approved in 1994 because service quality was not a significant issue at that time. He suggests that since service quality has recently been of some concern, the revised plan should include improved levels of service quality. What Mr. Hoagg ignores, however, is that the parties and the commission were addressing the statutory language relative to maintaining service quality. That language has not changed since the original Alternative Regulation order, and change in the facts do not change the law. In any event, concerns regarding the current level of service quality are properly addressed by establishing appropriate benchmarks for any new service quality measures just as the Commission did with respect to OOS<sup>24</sup> in 1994. The benchmarks being proposed require that service quality be maintained at historical levels, except in those instances where the Company's past performance has not been meeting the Part 730 guidelines, in which case the Part 730 benchmarks are proposed.

Ameritech Illinois has agreed it will meet these new benchmarks, as well as the current benchmarks, or be penalized for not maintaining its level of service quality.

**Q. Please summarize Ameritech Illinois' position on service quality.**

- A. The Company has agreed with Staff's proposal regarding the service quality measures that should be included in the Alternative Regulation Plan, going forward. Consistent with Commission precedent, Ameritech Illinois has proposed performance benchmarks for those measures based on historical performance levels or on the Commission's service quality rules. Staff generally agrees with that approach to determining benchmarks, although with some differences. Ameritech Illinois has also proposed service quality penalties that are similar to those under the existing plan, in addition to direct credits to customers affected by service quality problems in any year following the Company's failure to meet the benchmark level. Thus, Ameritech Illinois largely agrees with Staff's approach to treating service quality within the price index, but otherwise disagrees with the penalty structures proposed by GCI and Staff.

**Q. Has Ameritech Illinois' position changed in light of the parties' rebuttal testimony?**

- A. Yes. Ameritech Illinois has made two changes to address issues raised by GCI and Staff.

First, as I will discuss below, Ameritech Illinois would be willing to agree to a cellular telephone loaner program essentially identical to those that are now being

provided in Ohio and Indiana, in addition to the other service quality remedies being proposed.

Second, Ameritech is slightly modifying its position regarding service quality remedies. Ameritech Illinois would agree with Staff's alternative service quality remedy proposal, in which service quality would remain a component of the price index calculation. In the alternative, Ameritech Illinois would agree to remove service quality from the index, as long as the associated customer credits are reasonably comparable to the rate reductions that would occur under the index.

**Q. Ms. Jackson (p. 17) and Ms. TerKeurst (p. 18) raise the issue of whether Ameritech Illinois would be willing to institute a cellular phone loaner program in the event that a customer is out of service for greater than 24 hours or installation not completed within five days. What is Ameritech Illinois' position relative to a cellular loaner program?**

A. Ameritech Illinois has evaluated the feasibility of offering a cellular loaner program and, as discussed in more detail by Mr. Hudzik, has concluded that proposals such as those put forth by Staff and GCI present significant administrative and other difficulties. However, as stated above, Ameritech Illinois is willing to implement a cellular loaner program identical to that which is offered by all local exchange carriers in Ohio, including Ameritech Ohio and has also been incorporated into Ameritech Indiana's Opportunity Indiana 2000 plan (which is Ameritech Indiana's Alternative Regulation Plan). This program offers cellular loaner telephones to customers expected to be out of service for more than three days.

**Q. Please describe the change in Ameritech Illinois' position regarding service quality incentives.**

A. Originally, Ameritech Illinois supported retaining a similar incentive structure to the one in the existing Alternative Regulation Plan. Ameritech Illinois proposed that the Plan be made more symmetrical by allowing the company to offset a reduction in the price index for a service quality "miss," if the Company achieves that benchmark in a subsequent year. This is explained at pages 12-15 of my direct testimony.

In response to the testimony of Staff and GCI, the Company agreed that service quality incentives could be removed from the price index. However, as Mr. Hudzik and I pointed out in our rebuttal testimony, both GCI and Staff proposed remedies that were vastly out of proportion to the Plan's existing incentive structure. On the other hand, Staff's alternative position, which addressed continued treatment of service quality within the price index, was similar to the existing plan and Ameritech Illinois' proposal, with the exception of my proposal regarding symmetry. In particular, Ms. Jackson agreed that the existing service quality penalties—in the form of a .25 percent permanent rate reduction per "miss" on an annual basis—had been sufficient to maintain service quality under all of the existing service quality measures, with the exception of OOS<sup>24</sup> and Installation Within Five Days. She also testified that it was her opinion that the same penalties would be sufficient to maintain service quality for all of Staff's new proposed benchmarks, if service quality remained within the price index. Therefore, Mr. Hudzik and I suggested that the penalties Staff had proposed to apply outside the price index were out of

proportion to those Staff proposed within the index and should therefore be rejected or reduced.

In her rebuttal testimony, Ms. Jackson does not seem to dispute that the penalties she has proposed for addressing service quality outside the price index are out of proportion to the existing penalty structure. Nor does she offer any rationale for the enormous difference between Staff's two, alternative proposals. She simply testifies, without further explanation, that Staff's support of the .25 percent rate reduction is limited to the scenario in which service quality remains a component of the price index.

Therefore, Ameritech Illinois is returning to the position it took originally. Under that proposal, service quality would remain a part of the price index, and service quality "misses" would result in a .25 percent decrease in the index. As I stated above, that proposal is very similar to Staff's second proposal, except for the symmetry issue and the two-percent penalties for OOS>24 and Installation Within Five Days. In the alternative, Ameritech Illinois would support a version of Staff's proposal for addressing service quality outside the price index, as long as the proposal is reasonably equivalent to Staff's proposal inside the price index, from a financial perspective, again with the exception of the two percent penalties.

**Q. What do you mean by “reasonably equivalent . . . from a financial perspective?”**

A. Although Ms. Jackson has not explained the very large difference between her two remedy proposals, Staff’s position may be based on the primary difference between the effect, over time, of permanent rate reductions (within the price index), as compared to customer credits that would apply only following an annual service quality miss, as Ameritech Illinois proposed in rebuttal. The difference, of course, is that the permanent rate decrease in the price index accumulates over time.

**Q. What is the financial effect of that distinction?**

A. It depends on the year in which the miss occurs. If you assume that an alternative regulation plan will be in place for five years, a one-dollar rate reduction in the first year costs five dollars over the life of the plan, while a one-dollar reduction in the final year costs one dollar. Assuming that a plan is reviewed after five years, the “average” cost of a one-dollar rate reduction would be \$2.50. Thus, on the average, over five years, a one-dollar permanent rate reduction would be reasonably equivalent to a \$2.50 one-time credit, from a financial perspective.

**Q. Is Staff’s proposal for addressing service quality outside the price index out of proportion to it’s “inside the index” proposal, even when that factor is taken into account?**

A. Absolutely. Mr. Hudzik has performed an analysis of the cost, over five years, of Staff’s proposal for addressing service quality outside the price index using Ameritech Illinois’ actual 1999 performance data. That analysis includes the

cumulative impact of permanent rate reductions. As Mr. Hudzik explains, Staff's two proposals would have vastly different financial impacts on Ameritech Illinois.

**Q. What are the primary reasons for the difference between Staff's proposals?**

A. As Mr. Hudzik explains, there are two reasons for the difference. First, Staff's "outside the index" proposal would provide credits to all customers, even though the vast majority of customers are not affected by any particular problem. Second, that proposal inappropriately applies annually-based benchmarks on a monthly basis, which virtually guarantees a significant number of misses, even if service quality is maintained at the benchmark levels.

**Q. Ms. Jackson (pp. 6-7) "clarifies" that it is her proposal that customers who are out of service over 24 hours or do not have service installed within five days should receive compensation, regardless of whether Ameritech Illinois has successfully met its objectives. Would you comment on this clarification?**

A. Yes, I would. Ms. Jackson's direct testimony stated that customers would receive compensation for OSS>24 hours or missed installation only if the Company had missed the relevant objective for the month. I responded in my rebuttal testimony that trying to administer customer credits on a month to month basis would be difficult for the Company and confusing to customers. I proposed that instead, if Ameritech Illinois missed its OSS>24 hours or installation within five business days benchmarks for a calendar year, it would compensate all customers who experienced installation delays of over five days or were out of service for over 24 hours, for the following year. If during that next year Ameritech Illinois met its benchmarks, there would be no requirement to compensate customers the following year, and so on.



This would provide both a “carrot and a stick” for the Company to perform well. It would also be consistent with the concept of maintaining performance at established benchmark levels.

Ms. Jackson’s new proposal, however, would require compensation even if Ameritech Illinois met or exceeded all of the benchmarks. In addition, it is now clear that Staff’s, as well as GCI’s proposals for penalties could be additive under their respective proposals.

**Q. Is that a major departure from the principles the Commission relied upon in approving the current Plan?**

- A. Yes, it is. Under current rules, the Company is not penalized if it meets the benchmarks established by the Commission. Under Staff’s “outside the index” proposal, regardless of how well the Company performs, it will be penalized in the form of credits to customers. This a significant deviation from the original Alternative Regulation Plan and a deviation with which the Company strongly disagrees.

**Q. Why does the Company disagree with Ms. Jackson’s proposal?**

- A. Ms. Jackson predicates her proposal on the belief that customers who might be impacted by missed service quality benchmarks should receive immediate credit that is “applied directly and equally to all those harmed customers on the next month’s bill.” Ameritech Illinois has agreed that when it has failed to meet its benchmarks, it would provide credits in this manner, following any year in which it misses its

OSS>24 hours and missed installation benchmarks. However, it cannot agree with Ms. Jackson's proposal, which goes much further.

First, it must be remembered that this proceeding is the review of Alternative Regulation, not a service complaint case or a quality rulemaking. The obligation of the Company under Alternative Regulation is to maintain its service quality at the "going in" level. There was no direct customer compensation in the original plan, but rather a penalty formula to assure service quality would be maintained. The position that Staff has taken, however, has no relation to maintaining service quality, but, as discussed above, imposes obligations on the Company to pay customer compensation even when benchmarks are met and no penalties are assessed under the plan.

Second, Ms. Jackson's own proposal is inconsistent with her position that compensation be provided to customers who are harmed. She proposes that if a monthly measure for operator answer time, repeat trouble reports or business and repair office answer times is missed, that there be a \$2.25 credit given to all customers. So, despite the fact that only a small fraction of customers would have actually been impacted, all customers would receive a credit, even though not "harmed" in any way. This proposal would result in substantially increased penalties to the Company under the guise of compensation to harmed customers, but in fact would compensate customers that have not been affected in any way.

**Q. Ms. Jackson on (p. 8) of her rebuttal testimony disagrees with your suggestion that customer compensation be capped and your characterization of “customer windfalls.” Would you comment further?**

A. Yes, I will. Ameritech Illinois’ proposal “caps” the amount of customer compensation at the value of the service for an entire month, even if the customer is out of service or waits for installation for much less than the month. It is my experience that few if any businesses compensate a customer for more than the value of a service or an item if commitments are not met. For instance, if a restaurant serves a customer badly, they may make the meal that evening free, but rarely would the restaurant give the customer a free meal each day for a month. This is the reason that the amount of compensation should be capped at the value of the monthly service the customer is receiving from Ameritech (or the amount Ameritech charges to install service in the case of installation delays).

As to my statement relative to customers receiving windfalls, my point was that customers should not receive disproportionate compensation compared to the value of the service not being provided. At \$25 per day, some customers would actually prefer to be out of service. A customer experiencing a 30-day installation delay would be able to sign up for cellular service for the month and put several hundred dollars in his pocket. That is not compensation, it is a windfall.

Finally, I would note that Ms. Jackson herself relied upon a ComEd credit program which is capped at a level that would reasonably approximate the price of the service. As described by Ms. Jackson in her direct testimony (p. 21), the ComEd

credits have a maximum of \$100.” Certainly, \$100 would not at all be an unusual electric bill. In fact, far higher bills would be common in the summer for anyone who uses air conditioning.

**Q. What about customers who suffer losses of business or other similar losses?**

A. As with residence customers, Ameritech Illinois’ proposal will compensate business customers for the value of the service which Ameritech Illinois failed to provide.

This is consistent with common business practices. For example, if Federal Express fails to deliver an envelope by the next business day, it compensates the customer the \$12.00 paid for next day delivery, but not for any loss of business that might have resulted from the failure to meet the next day delivery commitment.

**Q. Ms. TerKeurst recommends (p. 57) an additional service quality remedy: that a customer out of service for more than 24 hours be provided free call forwarding service at the customer’s request. Is Ameritech Illinois willing to adopt this proposal?**

A. No, it is not. Ms. TerKeurst contends that Ameritech Ohio offers such a remedy. No such remedy is provided in Ohio.

**Q. Ms. Jackson discusses (pp. 19-20) the relationship between the service quality standards being recommended in this proceeding and the Part 730 Rulemaking currently in progress. Would you please comment on this discussion?**

A. Yes, I will. I am pleased that Ms. Jackson has recognized that it is appropriate to incorporate the new quality standards proposed in this docket for inclusion in the Part 730 rules so that they will be applicable to all LECs and CLECs. All customers

should have the same minimum expectations regarding service quality regardless of their chosen local exchange provider.

Also, while Ms. Jackson does not agree with the Ameritech Illinois' alternative proposal that new service quality measures not be determined for Alternative Regulation purposes until the completion of the Part 730 rulemaking, she does agree that revised benchmarks should be exported into the Alternative Regulation plan once the Part 730 rule has been revised. The disagreement that I have with Ms. Jackson's proposal is that she appears to limit these revisions to situations where the benchmarks resulting from the Part 730 rulemaking might be more stringent than the service quality standards approved for Alternative Regulation. She does not explain the lack of symmetry in her position. However, fairness dictates that, if any higher benchmarks are to be imported, there is no reason why the same should not be true for lower ones.

**Q. Ms. TerKeurst, objects (pp. 15-16) to importing the benchmarks and service quality measures from the Part 730 rule making proceeding into alternative regulation. Would you comment?**

A. Yes, I would. GCI, as well as Staff, contend that Ameritech Illinois must have stringent quality measures in order to protect the end users. Further, they say that competitors will need to have to match Ameritech Illinois service standards to get a foothold in the market.

First, I would comment that some competitors may try to enter the market on price alone, or by providing a mix of services such as cable television or internet access, rather than competing for quality of service. Second, service quality standards are essentially consumer protection measures which should apply equally to all carriers. The Commission recognizes this in its existing Part 730 rules. Third, reasonable standards equally applicable to all carriers, would foster an efficient competitive marketplace.

**Q. Ms. Jackson agrees (pp. 21-22) that the use of historical performance information provides a sound basis for establishing new benchmarks. Would you comment on Mr. Jackson's proposal?**

A. Ms. Jackson accepts the use of historical performance information for determining the benchmarks for the new service quality standards being proposed in this proceeding. However, Ms Jackson recommends these benchmarks be based on monthly data from the years 1998 and 1999, with the highest and lowest three months removed. Ameritech Illinois originally proposed using data from the years 1995 through 2000.

Ameritech Illinois agrees that data from the year 2000 should be excluded in light of the Company's installation and repair problems during that year. However, Ameritech Illinois continues to believe that using a full five years, versus two years, provides a more accurate view of actual performance, for purposes of establishing new benchmarks. Use of five years' of information tends to eliminate short-term

variances of performance standards, either positive or negative, caused by such things as company initiatives, weather, etc.

Ameritech's revised proposed benchmarks, with year 2000 data removed are as follows:

OOS>24 Hours: 5.0 percent assuming that the current computation methodology is left intact. Any changes to this methodology, such as changes to the calculation formula, would necessitate the establishment of a new benchmark.

Installation Within 5 (Business Days): 95.44 percent assuming that the current computation methodologies are left intact. Any changes to this methodology, such as the exclusion of vertical services, would necessitate the establishment of a new benchmark.

Reports Per 100 Lines: 2.66 (no change)

% Dial Tone Within 3 Seconds: Eliminate. (Staff and GCI concur.)

Operator Speed of Answer – Intercept: Eliminate. (Staff and GCI concur.)

Operator Speed of Answer – Toll, Assistance and Information  
Staff proposes to combine these two measures into a single measure and the Company concurs that such a revision is appropriate. Based on the relative number of calls associated with each measure, the new weighted objective would be 5.62 seconds. The data underlying the development of this new combined benchmark can be found in Schedule 3.41.

Trunk Blockage: Eliminate. (Staff concurs.)

Repeat Repair Reports (30 Days): 13.92 percent, based on 1995 –99 average performance as follows:

1995: 15.52%  
1996: 13.61%  
1997: 12.63%  
1998: 13.36%  
1999: 14.46%

Missed Field Visit Repair Commitments: 9.58 percent based on the 1995 –99 average performances shown below. It should be noted that all field visit missed appointments would be included in this measure and would include both instances where a firm time was agreed upon for a technician to arrive as well as instances where no technician visit time was arranged.

1995: 14.39%  
1996: 12.47%  
1997: 7.97%  
1998: 6.70%  
1999: 6.35%

Missed Installation Commitments: 2.08 percent, based on actual performances for 1996-99 including both field visited and other commitments. However, if the benchmark were to focus, as Staff requests, on field visited appointments, we would propose 90percent As the Company has very limited internal information on this measure, it is proposed that the benchmark for this measure mirror the proposed benchmark currently under review in the Administrative Code 730 workshops. It should be noted that all field visit missed appointments would be included in this measure and would exclude any field visit orders not associated with the provision of basic dial tone service.

Speed of Answer - Repair: 60 second average. Because the Company has limited historical data for this measure, it is proposed that the benchmark for this measure mirror Administrative Code Part 730.

Speed of Answer – Business Offices: 60 second average. Because the Company has limited historical data for this measure, it is proposed that the benchmark for this measure mirror Administrative Code Part 730. Note that this measure is a combined, weighted measure for both business and residence business offices.

I have summarized these proposed benchmarks on Schedule 3.42.



**Q. As part of her proposal to use the historical information from the years 1998 and 1999, Ms. Jackson also proposes (p. 22) eliminating the three highest and three lowest months. Would you comment on this proposal?**

A. As I understand it, Ms. Jackson proposes to eliminate the three highest and three lowest months from the calculations in order to be consistent with how the benchmarks were established in the original Alternative Regulation Plan. It is my understanding that this was done to prevent any outlying data points from unduly skewing the averages. However, if five years of data is used to establish the new benchmarks, however, we do not believe it necessary to make these types of adjustments. In any event, per Ms. Jackson's request (Staff Ex. 23, page 22), the monthly information is attached to my testimony (Schedule 3.43).

**Q. Ms. TerKeurst argues (p. 24) that new benchmarks should be based on either historical pre-Plan data or the best single year of the Company's performance since the inception of Alternative Regulation. Is her position sound?**

A. No, it is not. Ameritech Illinois has relatively limited data regarding pre-Plan performance for service quality measures other than those included in the Plan. However, to the extent such data are available, they do not support Ms. TerKeurst's proposed benchmarks.

I have attached as Schedule 3.44 to this testimony, an exhibit from the rebuttal testimony of CUB's witness Barbara Alexander, in Ill. C.C. Dkt. 96-0178. (I have not been able to validate the data independently, so I will assume for the purpose of

analyzing this issue that the information is accurate.) The data do not even remotely support Ms. TerKeurst's proposed benchmarks.

For example, Ms. TerKeurst advocates business and repair office answer times of 80 percent within 20 seconds. However, Ameritech Illinois never performed at that level before the Plan was adopted, averaging less than 60 percent within 20 seconds for 1990-94.

Ms. TerKeurst also advocates a standard of five percent Installation Repeat Reports. Once again, pre-Plan data shows that Ms. TerKeurst's proposal is completely unreasonable. For 1990-94, the average rate of Installation Repeat Reports was more than 12.5 percent.

Repair Repeat Reports provide the same story. Data for 1993-94 range from 10.67 percent to 15.99 percent, with residence and business service presented on a disaggregated basis. Residence service averaged 15.44 percent and business service averaged 13.00 percent. Again, Ms. TerKeurst's proposed 10 percent benchmark is far more stringent.

The largest gap between Ms. TerKeurst's proposal and the pre-Plan data is for missed repair appointments, where Ms. TerKeurst proposes a standard of one percent. The data in the CUB exhibit show that the proposal is completely

unrealistic. The actual results for 1993 and 1994 ranged from 7.26 percent to 12.31 percent, averaging approximately 11 percent overall.

I also disagree with the suggestion that the single best year be used as the benchmark, where pre-Plan data is not available. Different factors effect different aspects of service quality. Ms. TerKeurst's approach magnifies the effect of variables, instead of minimizing them. The result is not a fair and balanced picture of the overall "going in" level of service quality.

**Q. When discussing Ameritech Illinois proposed remedies, Ms. Jackson estimates that a one-time repair credit would be approximately \$15. Is this a correct number?**

A. No, it is not. As discussed in my supplemental rebuttal testimony, Ameritech Illinois' proposed customer credits for out of service greater than 24 hours is based on the customer's monthly regulated service. When Ms. Jackson prepared her rebuttal testimony she did not have actual numbers available to her and estimated this amount to be \$15. In actuality, the average monthly service amount for regulated services, which excludes unregulated services such as voice mail and also excludes toll and measured usage which are not billed at a flat monthly rate, is \$24.22, based on October, 2000 billing information. Therefore, Ameritech Illinois' proposed remedies are significantly higher than assumed by Ms. Jackson. The actual amount of the credit to each customer, however, would depend on the individual customer's bill for regulated monthly services. As I explained above, this is an appropriate credit because it compensates each customer based precisely on the amount of service they are purchasing monthly from Ameritech Illinois.

**Q. Ms. Jackson also questions whether monthly usage is included in the definition of monthly regulated services. (Staff Ex. 23, page 25) Why has usage been excluded?**

A. Usage has been excluded since this is not something that the customer pays on a recurring, monthly basis. In other words, customers who have an out of service have not been billed for any usage. Therefore, usage should not be included in a customer

credit. A customer should not receive a credit for something he or she has not used, which would be the case if credits were given for toll and usage.

**Q. Ms. Jackson assumes that the amount of credit will decrease as more services are declared competitive. Would this be the case?**

A. No, it would not. Competitive services remain regulated and thus fit under the definition of monthly regulated services in the Company's proposal. When calculating the credit both competitive and non-competitive monthly services are included. Only non-regulated services, such as voice mail and inside wire, have been excluded.

**Q. Ms. TerKeurst states on page 42 of GCI Exhibit 12.0, that you use the terms "commitment" and "appointment" interchangeably when discussing missed installation commitments. Would you please clarify this misunderstanding?**

A. In general, the two terms have been interchangeable with the industry, but let me try and address the confusion.

Ms. TerKeurst uses the term "commitment" to include all installations or repair cases, whether or not field visits are required. On the other hand, I believe she uses the term "appointment" to indicate a situation where a field visit was required. The Company believes that it is far more appropriate to measure and report field visit missed "appointments" rather than total appointments, or "commitments", as customers are most inconvenienced when a technician does not arrive as promised.

Therefore, using Ms. TerKeurst's terminology, the Company is proposing measuring "appointments", not "commitments".

**Q. Mr. McClerren (Staff Ex. 22.0, pages 15-16) proposes that the Merger Condition 30 in Docket 98-0555 be incorporated into Ameritech Illinois' Alternative Regulation Plan. Do you agree?**

A. No, I do not. Merger Condition 30 addresses service quality as it relates to wholesale services. Merger Condition 30 has been the subject of extensive collaboratives and arbitration as part of the merger docket and related proceedings. Those proceedings are more appropriate proceedings for reviewing service quality for wholesale services, as all of the interested parties are participating in them. The remedy plan for Merger Condition 30 has been addressed in collaboratives, and the parties have recently filed a joint petition to open an investigation into the appropriateness of this remedy plan, which again is the appropriate proceeding for such activities.

Mr. Cox (McLeodUSA Exhibit 1.0) testifies that CLECs need to receive high quality service from Ameritech Illinois, but he acknowledges that these issues are now being addressed as a part of Merger Condition 30. In fact, on page 12 of his rebuttal testimony, responding to Ms. TerKeurst's suggestion that CLECs should take the opportunity in this proceeding to submit a list of the most critical service quality measures for CLECs, he replies that McLeod USA anticipates that such a list will be at issues in the proceeding relating to Merger Condition 30.

Mr. McClerren states that Merger Condition 30 must be incorporated into Alternative Regulation is that it may not survive the "three years after the Merger Closing date" limitation. However, that concern does not bring Merger Condition 30 within the scope of this docket. The advisability of continuing Merger Condition 30 beyond three years and the appropriate framework for doing so should be addressed in a proceeding focused on wholesale issues. It would be premature and inappropriate to make Merger Condition 30 an Alternative Regulation requirement.

**Q. Does this conclude your surrebuttal testimony?**

A. Yes, it does.